

US-PAT-NO: 5794220

DOCUMENT-IDENTIFIER: US 5794220 A

TITLE: Method and means for ranking and pricing items

DATE-ISSUED: August 11, 1998

INVENTOR-INFORMATION:

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US-CL-CURRENT: 705/40

ABSTRACT: The present invention provides a computerized method for ranking items based upon the interrelationship of the volumes and revenues and payment methodologies of items sold. First a base rank value is determined based upon the measured distribution of item volume, item revenue and the payor methodology mix. A weighted value is then determined by the computer system for each item by high and low assigned values which are then normalized and sorted to provide a normalized ranking. The pricing of each item is based upon the normalized ranking. The method of the present invention is used to determine what items should increase in price, what items should decrease in price, and what items should remain constant according to each item's relative value to net income.

12 Claims, 8 Drawing figures

Exemplary Claim Number: 1

Number of Drawing Sheets: 8

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Brief Summary Text - BSTX: Ranking items that are sold in order of relative net income producing value is beneficial for decision making as to what price change should be applied to each item and by how much the price change should be increased, decreased or remain unchanged in order to maximize all overall payment.

Brief Summary Text - BSTX: The present invention overcomes these disadvantages by providing a more effective method of pricing by first ranking items in an order of most advantageous to least advantageous for increasing price and then, based on the ranking process, changing unit prices on some items such that the changes are more productive since the increase in prices relates to the increase in net income to the business. The present invention, thus, takes into account the multiplicity of different payment methods from different payors.

Brief Summary Text - BSTX: The pricing method of items sold is a dynamic process as a means of strategically changing the unit price to yield an overall higher level of payment from certain payors. Items sold are ranked in order of most advantageous to an increase in unit price to those most advantageous to decrease in unit price and this ranking value is stored on the computer's storage.

Detailed Description Text - DETX: B. Following completion of the initial price change, a second calculation may be performed if selected by the end-user that changes each new unit price by a factor that it balances with the original overall revenue so that there is no material increase nor decrease to the original total organizational revenue.